

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**SENATE BILL 1018**

**47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005**

**INTRODUCED BY**

**Leonard Lee Rawson**

**AN ACT**

**RELATING TO TAXATION; LIMITING CERTAIN CIVIL PENALTIES IMPOSED  
PURSUANT TO SECTION 7-38-8 NMSA 1978 (BEING LAWS 1973, CHAPTER  
258, SECTION 48, AS AMENDED) TO PERSONS WHO KNOWINGLY FAIL TO  
MAKE REPORTS OF PROPERTY OR IMPROVEMENTS SUBJECT TO VALUATION  
FOR PROPERTY TAX PURPOSES.**

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:**

**Section 1. Section 7-38-8 NMSA 1978 (being Laws 1973,  
Chapter 258, Section 48, as amended) is amended to read:**

**"7-38-8. REPORTING OF PROPERTY FOR VALUATION--PENALTIES  
FOR FAILURE TO REPORT.--**

**A. All property subject to valuation for property  
taxation purposes by the department shall be reported annually  
to the department. The report required by this subsection  
shall be made by the owner of the property or such other person**

underscored material = new  
[bracketed material] = del ete

underscored material = new  
[bracketed material] = delete

1 as may be authorized by regulations of the department. The  
2 report shall be in a form and contain the information required  
3 by regulations of the department. It shall be made not later  
4 than the last day of February in the tax year in which the  
5 property is subject to valuation. In the case of the failure  
6 or refusal to file the report required under this subsection,  
7 the department shall determine the value of the property  
8 subject to valuation from the best information available.

9 B. Except as provided in Subsection D of this  
10 section, all property subject to valuation for property  
11 taxation purposes by the county assessor shall be reported as  
12 follows:

13 (1) property valued in the 1974 tax year by  
14 the county assessor need not be reported for any subsequent tax  
15 year unless required to be reported under Paragraph (3) of this  
16 subsection;

17 (2) property not valued in the 1974 tax year  
18 by the county assessor but that becomes subject to valuation by  
19 the county assessor in any subsequent tax year shall be  
20 reported to the county assessor not later than the last day of  
21 February of the tax year in which it becomes subject to  
22 valuation, but such property need not be reported for any year  
23 subsequent to the year in which initially reported unless  
24 required to be reported under Paragraph (3) of this subsection;

25 (3) property once valued by a county assessor

underscored material = new  
[bracketed material] = delete

1 in a tax year, but which is not valued for a year subsequent to  
2 the year of initial valuation because it is not subject to  
3 valuation for that subsequent year by the county assessor,  
4 shall be reported to the county assessor not later than the  
5 last day of February in a tax year in which it again becomes  
6 subject to valuation by the county assessor; and

7 (4) reports required under Paragraphs (2) and  
8 (3) of this subsection shall be in a form and contain the  
9 information required by regulations of the department.

10 C. Not later than the last day of February of each  
11 tax year, every owner of real property who made, or caused to  
12 be made, in the preceding calendar year improvements costing  
13 more than ten thousand dollars (\$10,000) to that real property  
14 shall report to the county assessor the property improved, the  
15 improvements made, the cost of the improvements and such other  
16 information as the department may require.

17 D. Manufactured homes, livestock and land used for  
18 agricultural purposes shall be reported for valuation for  
19 property taxation purposes to the county assessor at the times  
20 and in the manner prescribed under Sections 7-36-26, 7-36-21  
21 and 7-36-20 NMSA 1978 and regulations promulgated by the  
22 department.

23 E. Property subject to valuation by the county  
24 assessor for property taxation purposes and improvements to  
25 such property that are required to be reported under Subsection

. 156234. 1

underscored material = new  
[bracketed material] = delete

1 C of this section shall be reported to the county assessor of  
2 the county in which the property is required to be valued under  
3 Section 7-36-14 NMSA 1978. Reports shall be made either by the  
4 owner of the property, the owner's authorized agent or any  
5 person having control or management of the property and shall  
6 be in a form and contain the information required by  
7 regulations of the department.

8 F. Reports required by this section shall be made  
9 by the declarant under oath, and the director, employees of the  
10 department, the assessor and ~~[his]~~ the assessor's employees are  
11 empowered to administer oaths for this purpose.

12 G. Any person who intentionally refuses to make a  
13 report required ~~[of him]~~ under the provisions of Subsection A,  
14 B or C of this section or who knowingly makes a false statement  
15 in a report required under the provisions of Subsection A, B or  
16 C of this section is guilty of a misdemeanor and upon  
17 conviction shall be punished by the imposition of a fine of not  
18 more than one thousand dollars (\$1,000).

19 H. Any person who knowingly fails to make a report  
20 required ~~[of him]~~ under the provisions of Subsection A or B of  
21 this section is liable for a civil penalty in an amount equal  
22 to five percent of the property taxes ultimately determined to  
23 be due on the property for the tax year or years for which ~~[he]~~  
24 the person failed to make the required report.

25 I. Any person who intentionally refuses to make a

underscored material = new  
[bracketed material] = delete

1 report required [~~of him~~] under the provisions of Subsection A  
2 or B of this section with the intent to evade any tax or who  
3 fails to make a report required [~~of him~~] under the provisions  
4 of Subsection A or B of this section with the intent to evade  
5 any tax is liable for a civil penalty in an amount equal to  
6 twenty-five percent of the property taxes ultimately determined  
7 to be due on the property for the tax year or years for which  
8 [~~he~~] the person refused or failed to make the required report.

9 J. Any person who is required to make a report  
10 under the provisions of Subsection C of this section and who  
11 knowingly fails to do so is personally liable for a civil  
12 penalty in an amount equal to the greater of twenty-five  
13 dollars (\$25.00) or twenty-five percent of the difference  
14 between the property taxes ultimately determined to be due and  
15 the property taxes originally paid for the tax year or years  
16 for which the person failed to make the required report. This  
17 penalty shall not be considered a delinquent property tax, and  
18 the provisions of the Property Tax Code for the enforcement and  
19 collection of delinquent property taxes through the sale of the  
20 property do not apply. However, the county treasurer may use  
21 all other methods provided by law to collect the property tax  
22 or penalty due. Notwithstanding any other provision of the  
23 Property Tax Code, amounts collected pursuant to the penalty  
24 provided by this subsection shall be distributed among  
25 jurisdictions imposing tax on the property in the same

. 156234. 1

1 proportion as the amount of tax, ultimately determined to be  
2 due for the jurisdiction, bears to the total due for all such  
3 jurisdictions.

4 K. The civil penalties authorized under Subsections  
5 H and I of this section shall be imposed and collected at the  
6 time and in the manner that the tax is imposed and collected.  
7 In order to assist in the imposition and collection of the  
8 penalties, the persons having responsibility for determining  
9 the value of the property shall make an entry in the valuation  
10 records indicating the liability for any penalties due under  
11 this section.

12 L. For the purposes of this section:

13 (1) "improvements" means the construction of  
14 any new structure permanently affixed to the land or the  
15 repair, rehabilitation or alteration of an existing structure  
16 permanently affixed to the land that, for property used for any  
17 commercial purpose, is required or allowed to be capitalized  
18 under the Internal Revenue Code and, for other properties, any  
19 similar construction, repair, rehabilitation or alteration; and

20 (2) "owner of real property" includes every  
21 owner of improvements who does not own the land upon which the  
22 improvements are made."